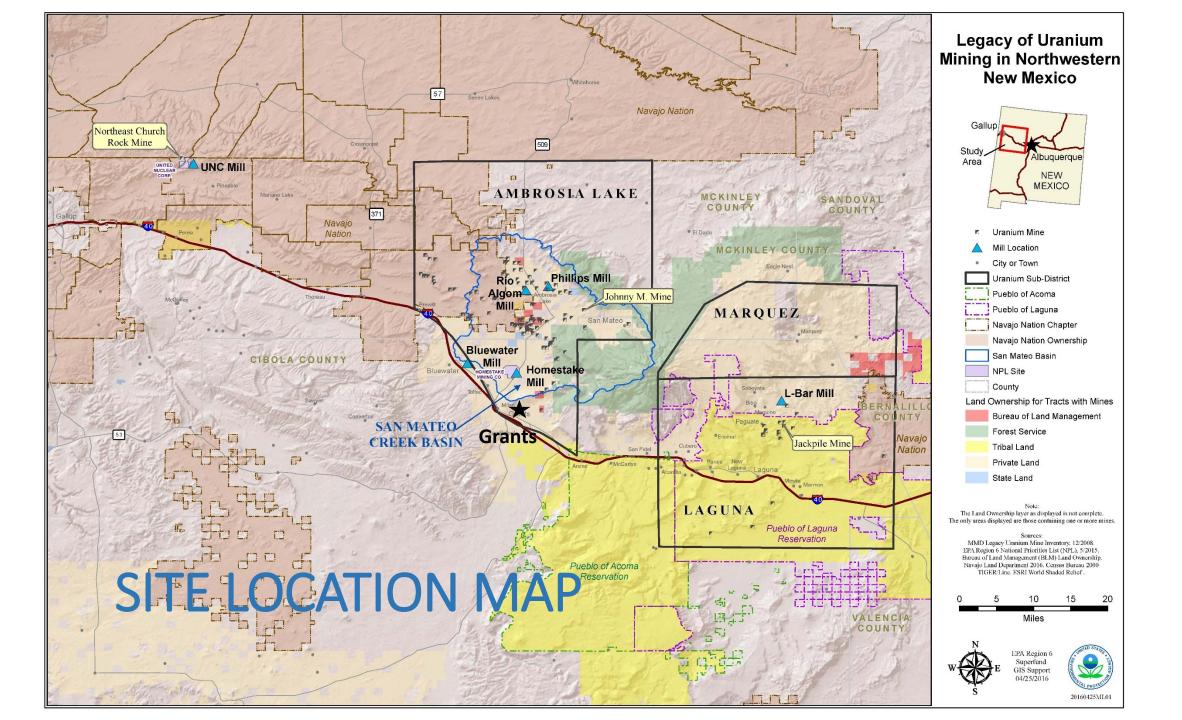
GROUND WATER INVESTIGATION

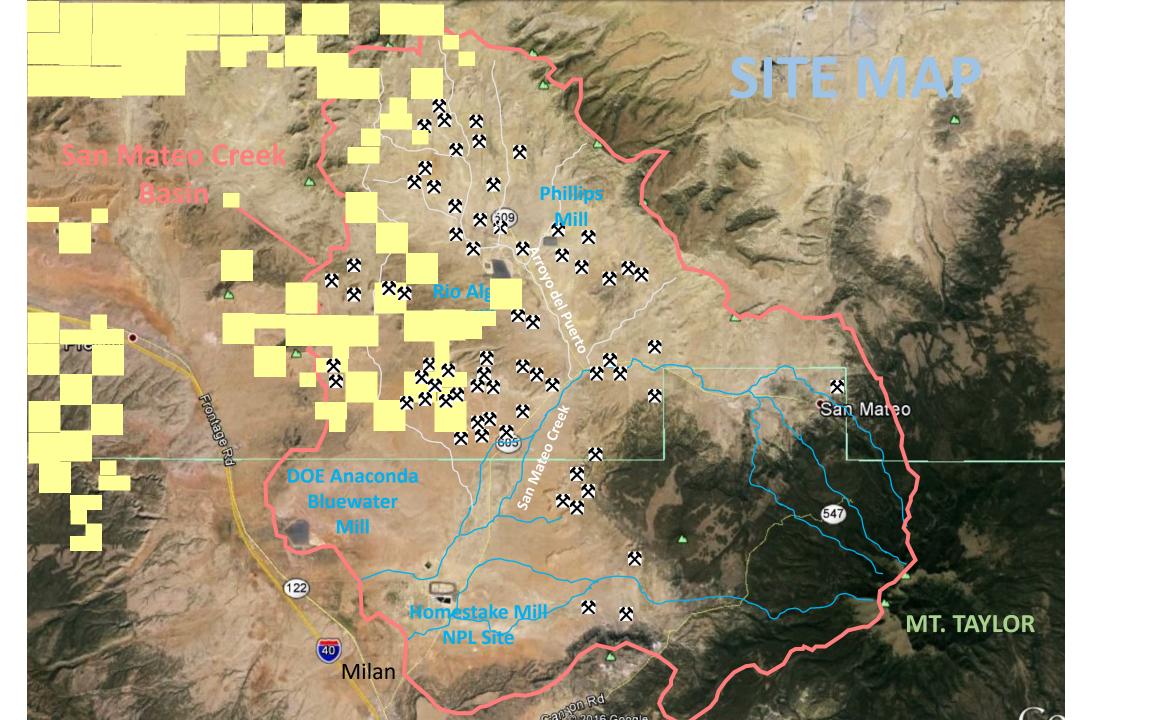
San Mateo Creek Basin Uranium Legacy Site

TRONOX QUARTERLY MEETING

October 19, 2016

Charge to
San Mateo Creek Basin
A6K6 T Fund





PROJECT OBJECTIVE

Investigate legacy uranium mining and milling impacts to ground water



MULTI-PHASED INVESTIGATION

Phase 1

Alluvial Aquifer San Mateo Creek Basin 2012 – 2016

Phase 2

Bedrock & Alluvial Aquifers
Tronox NAUM Ambrosia
Lake Impact Area
2015 – 2017

Phase 3

Develop Conceptual Site Model for Tronox NAUM Impacts 2016 - 2018



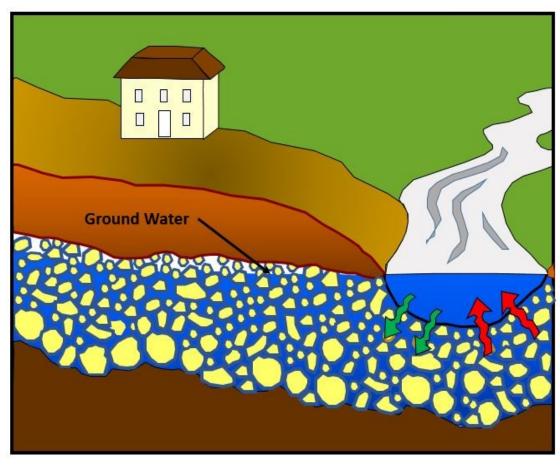




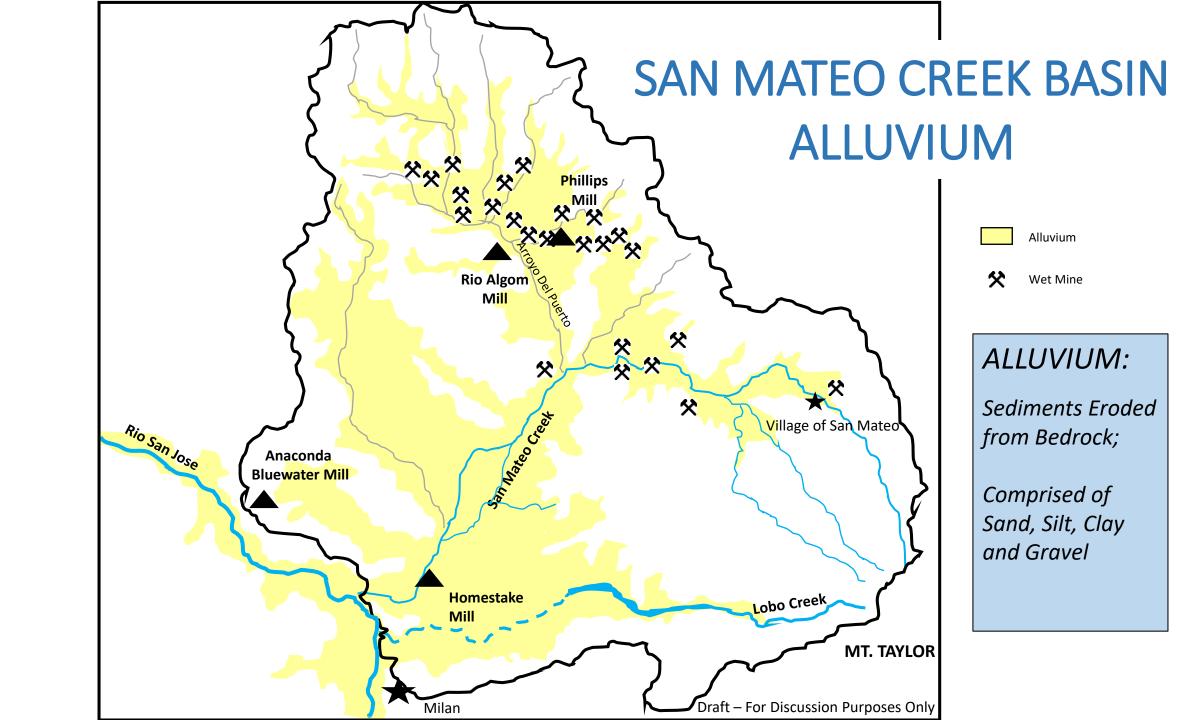
PRELIMINARY CONCEPTUAL SITE MODEL

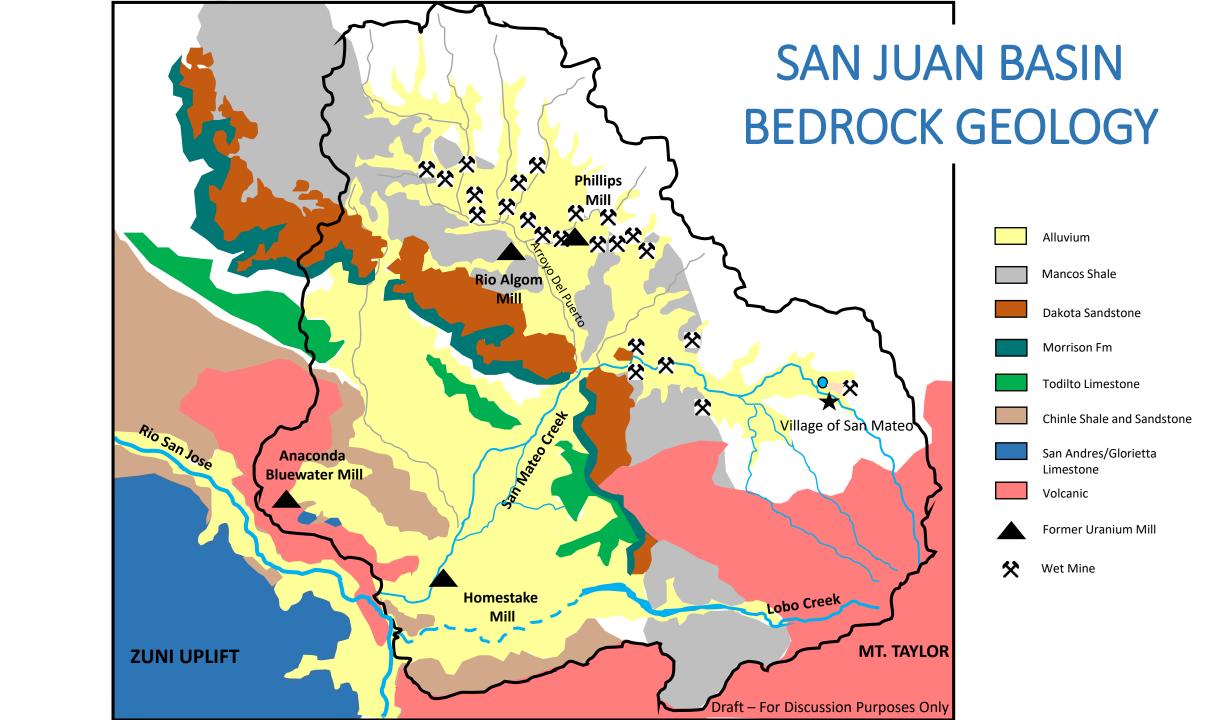
What We Needed to Understand

- Alluvial Aquifer
 - Where are the alluvial sediments?
 - Where is the ground water?
 - What is direction of flow?
- Bedrock Aquifers
 - What is the underlying bedrock geology?
 - What is the hydraulic relationship to the alluvium?

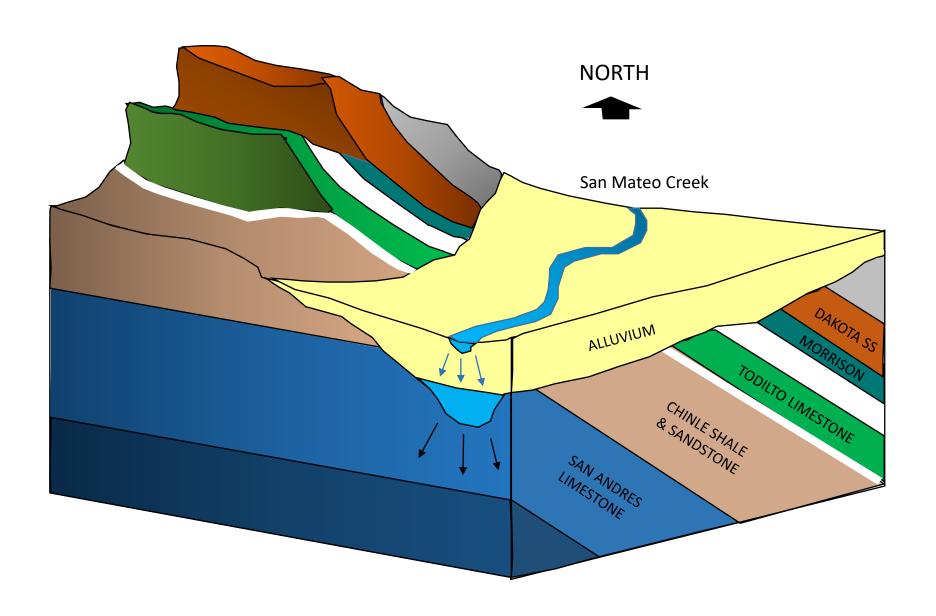


Modified from City of Las Cruces
Poster Display





CONCEPTUAL SITE MODEL



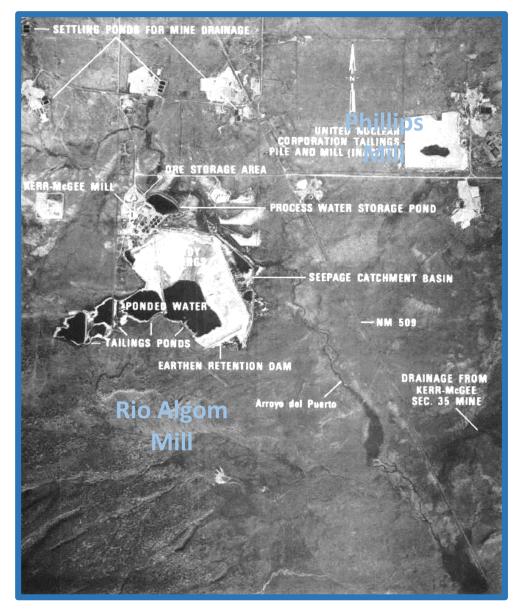


KEY COMPONENTS OF PHASE 1 GROUND WATER REPORT

- Historical studies on water quality and impacts
- Field investigation
- Conclusions

HISTORICAL STUDIES ON URANIUM MINING IMPACTS

- 1975 EPA study
 - Ground water contamination discovered
 - Sources mine water discharge and tailing seepage
 - Perennial flows created in creeks/arroyos
- 1981 and 1986 New Mexico studies
 - Alluvial ground water exceeds standards
 - Mine discharge water rapidly infiltrates and saturates alluvium



1975 – Ambrosia Lake Area

SUMMARY OF HISTORIC MINE WATER DISCHARGE QUALITY

Comparison to Alluvial Background Water Quality

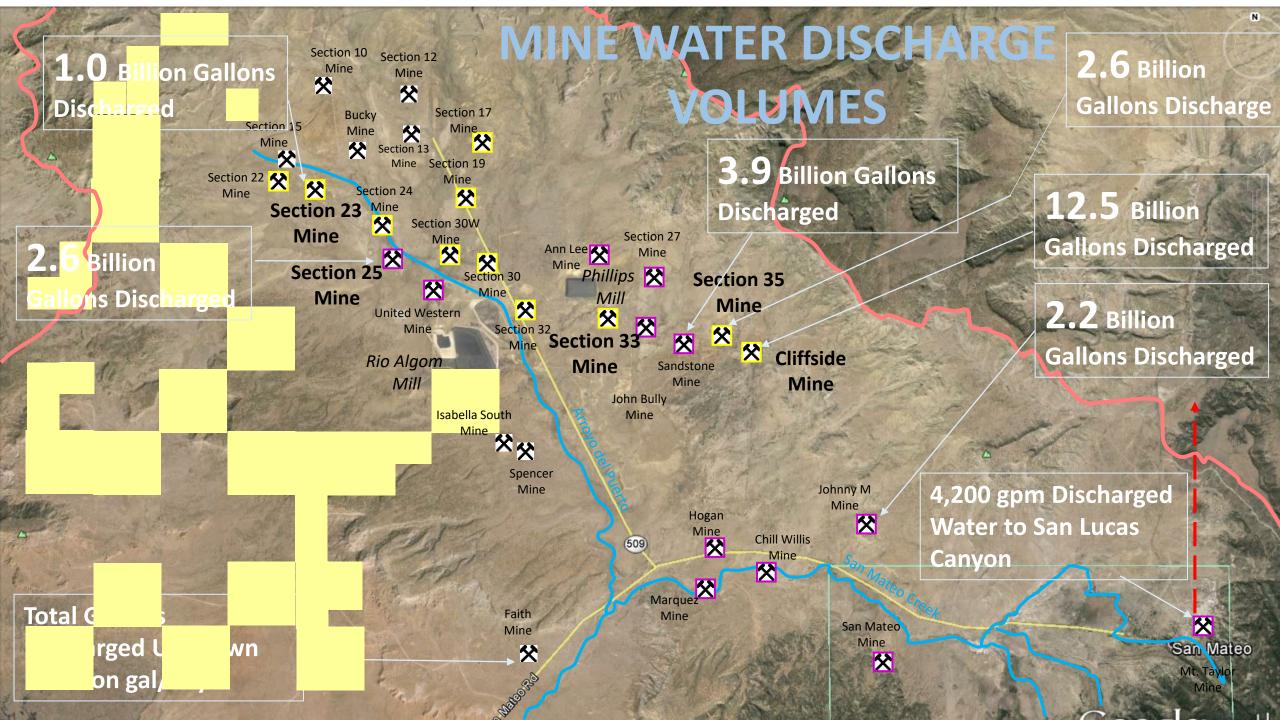
Contaminant	1981 Mine Water Discharge Ambrosia Lake Area	1981 Mine Water Discharge San Mateo Area	1978-80 San Mateo Creek Upland Alluvial GW (Background)	
Gross Alpha (pCi/L)	580	1,100	2.5 – 15.0	
Uranium (mg/L)	2.4	0.080	0.005 - 0.010	
Selenium (mg/L)	0.410	0.040	0.005 - 0.005	
Molybdenum (mg/L)	0.79	0.32	0.005 - 0.010	
Chloride (mg/L)	90	10	3 – 8	
Sulfate (mg/L)	837	205	5-20	
Total Dissolved Solid (ppm)	1,690	520	125 – 300	

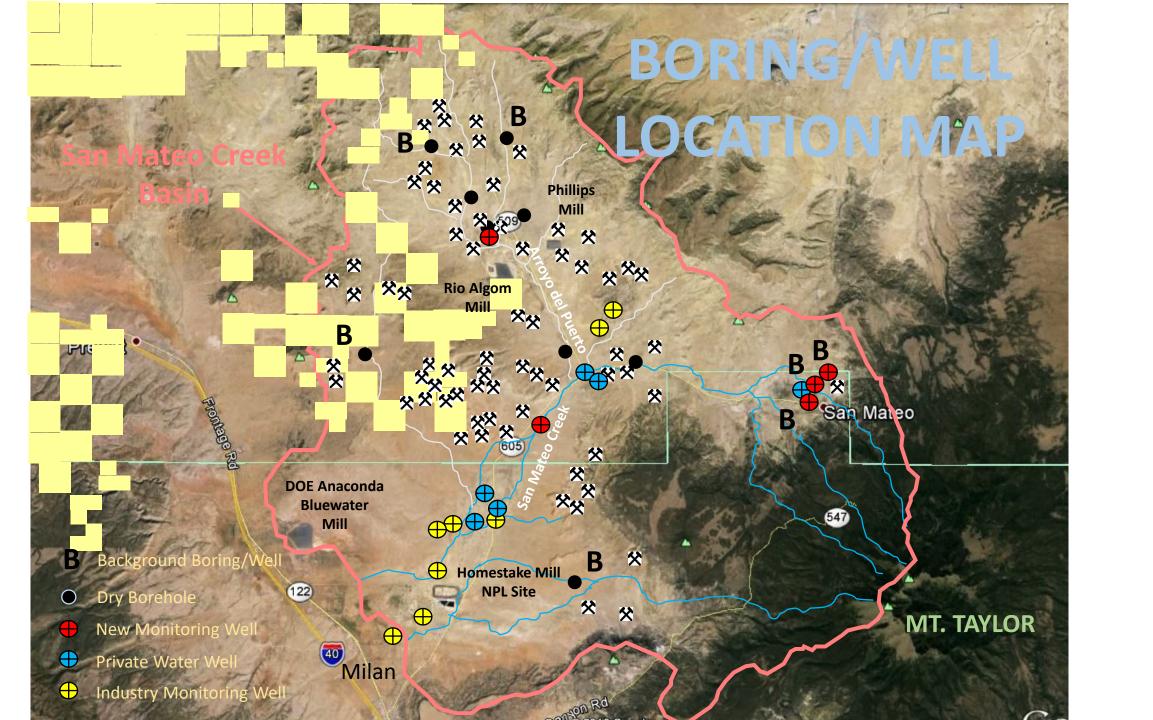
New Mexico 1981 and 1986 Reports

父 怒 汉 Rio 父 **ROUNDY RANCH** Dams Much of Flow for Cattle Forage Tronox Wet Mine **HOMESTAKE** 🔀 Other Wet Mine MILL

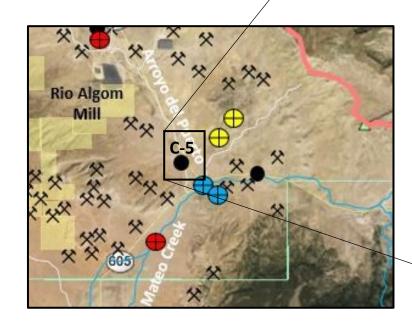
MINE WATER DISCHARGE

Artificially Created **Perennial Flows** Observed to Reached Homestake Impoundment (EPA 1980)





MULTIPLE BORINGS TO FIND ALLUVIAL WATER

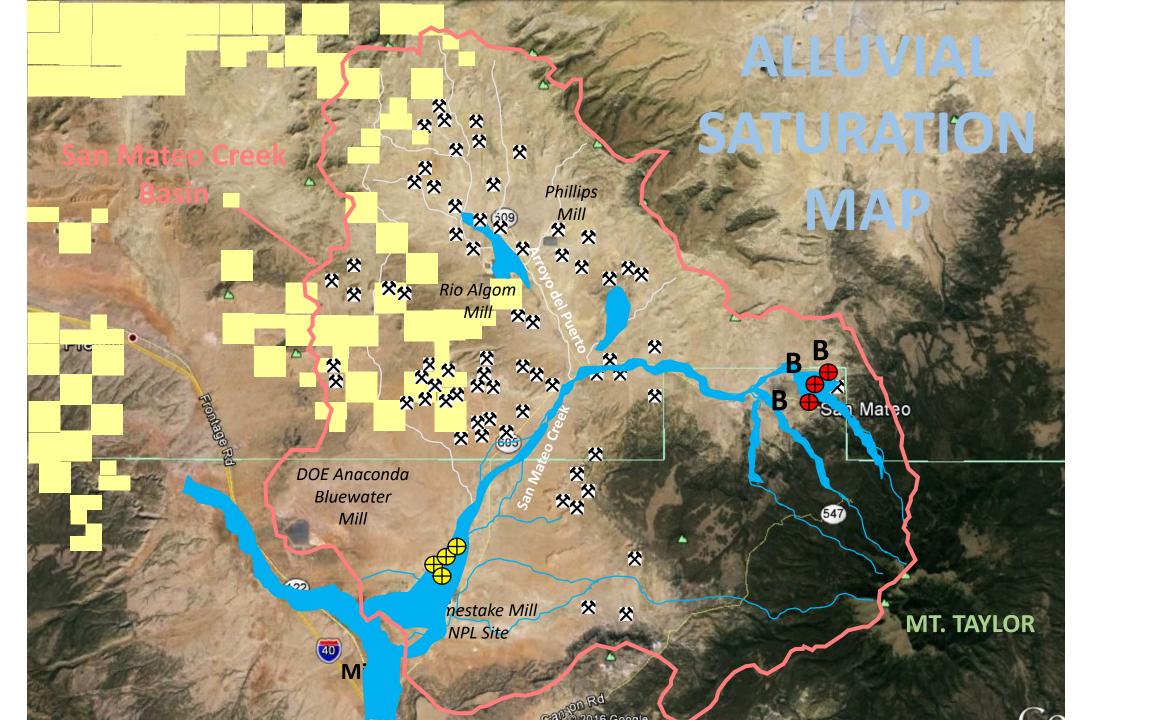




SUMMARY OF CONCLUSIONS

Phase 1 Report

- Attempt to Characterize Alluvial Background had Mixed Results
 - Lack of Natural Saturation in Many Areas Investigated
- Alluvial Water Quality Varies Across Basin
 - Good quality upgradient of mines and mills
 - ✓ Meets standards
 - Poor quality downgradient of mines and mills
 - ✓ Exceeds standards
 - ✓ Similar to mine discharge water quality
- Mine Discharge Water Draining Through and Out of Alluvium



ALLUVIAL WATER QUALITY

- Alluvial ground water downgradient of legacy mines and mills exceed standards
- In comparison to background wells:
 - Greater than 3 times background

Uranium

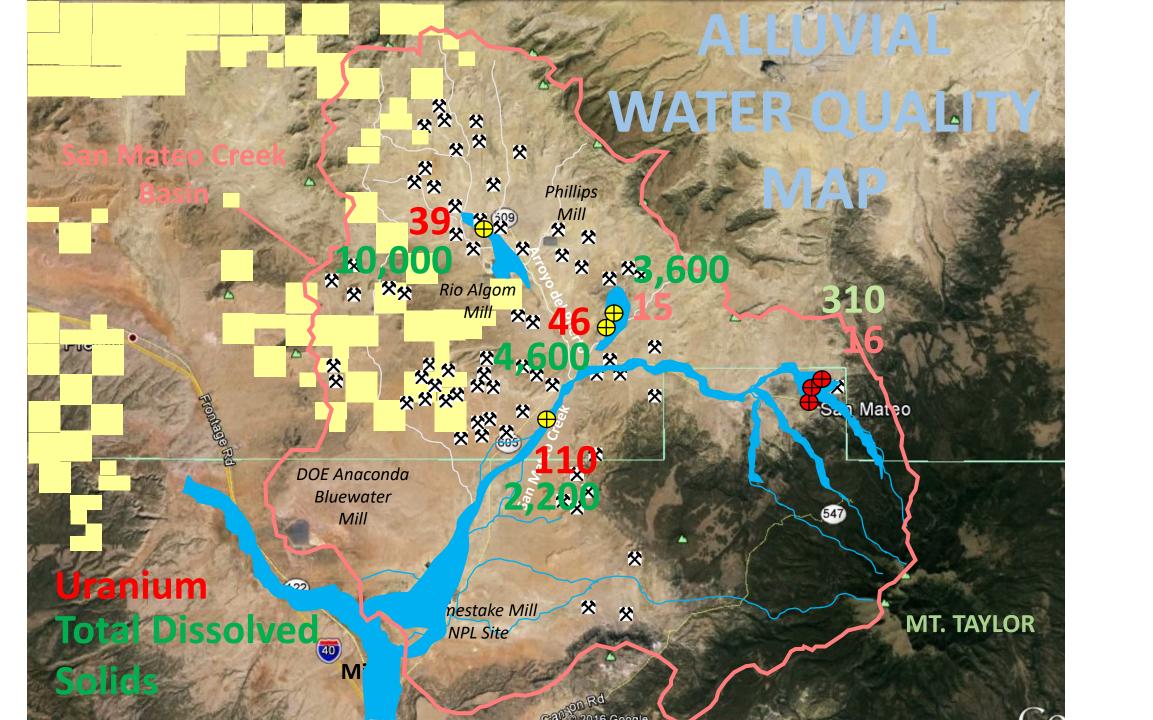
Selenium

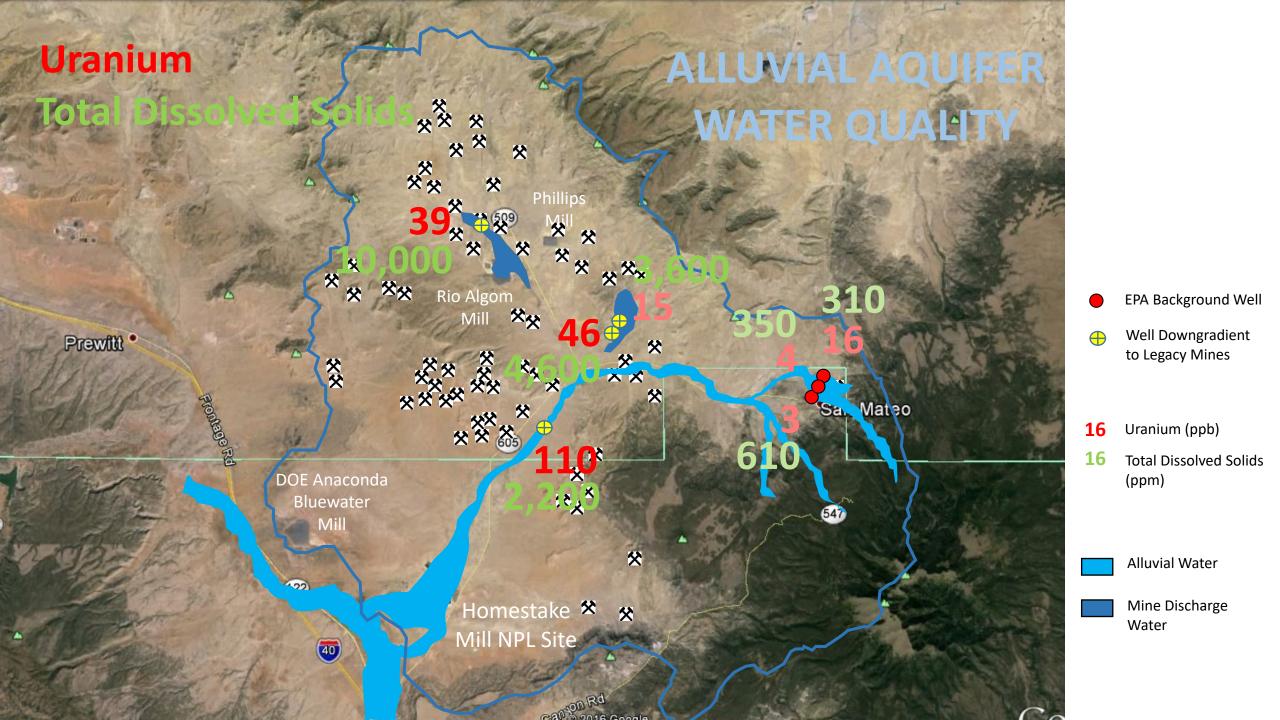
Total Dissolved Solids

Sulfate

Conclusion Nos. 4 and 6

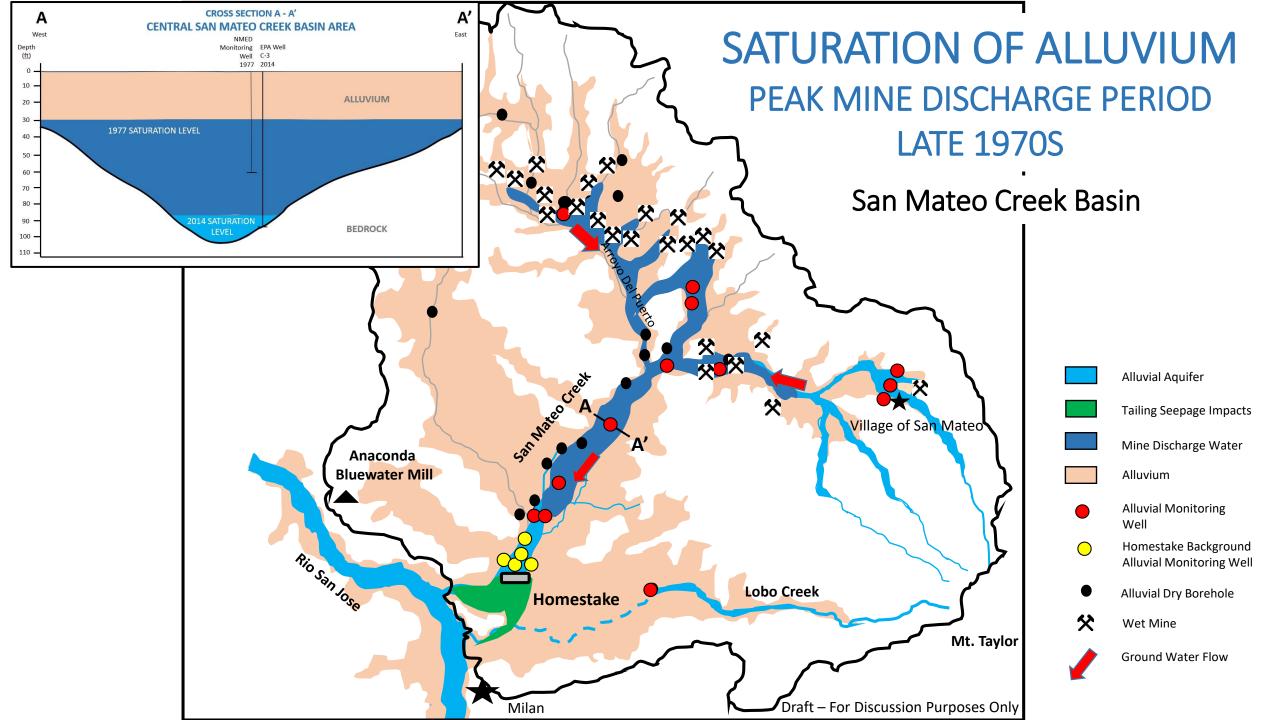
- Alluvial water downgradient of Rio Algom Mill and Sec 35/Cliffside Mines of poorest quality
- Appear to be residual mine discharge water
- Draining into bedrock formations





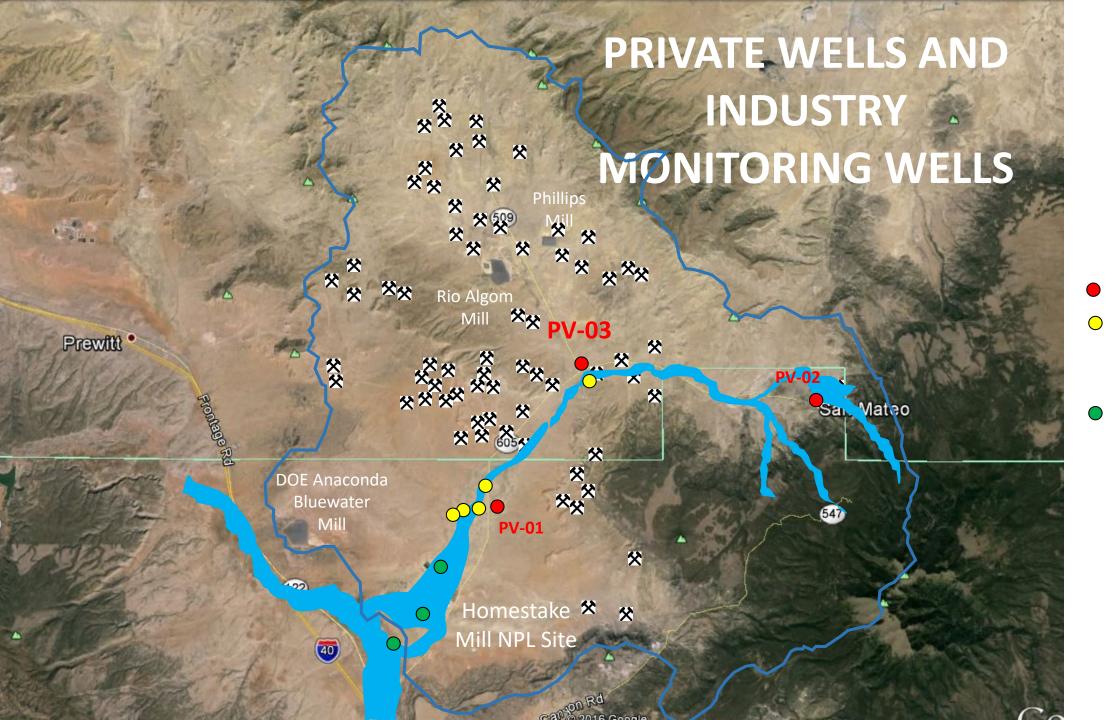
Conclusion No. 5

- Mine water discharges resulted in saturation and desaturation of Alluvium on massive scale
- Water levels in central part of basin raised and dropped over 50 feet
- Drain down not observed at Homestake



Conclusion No. 7

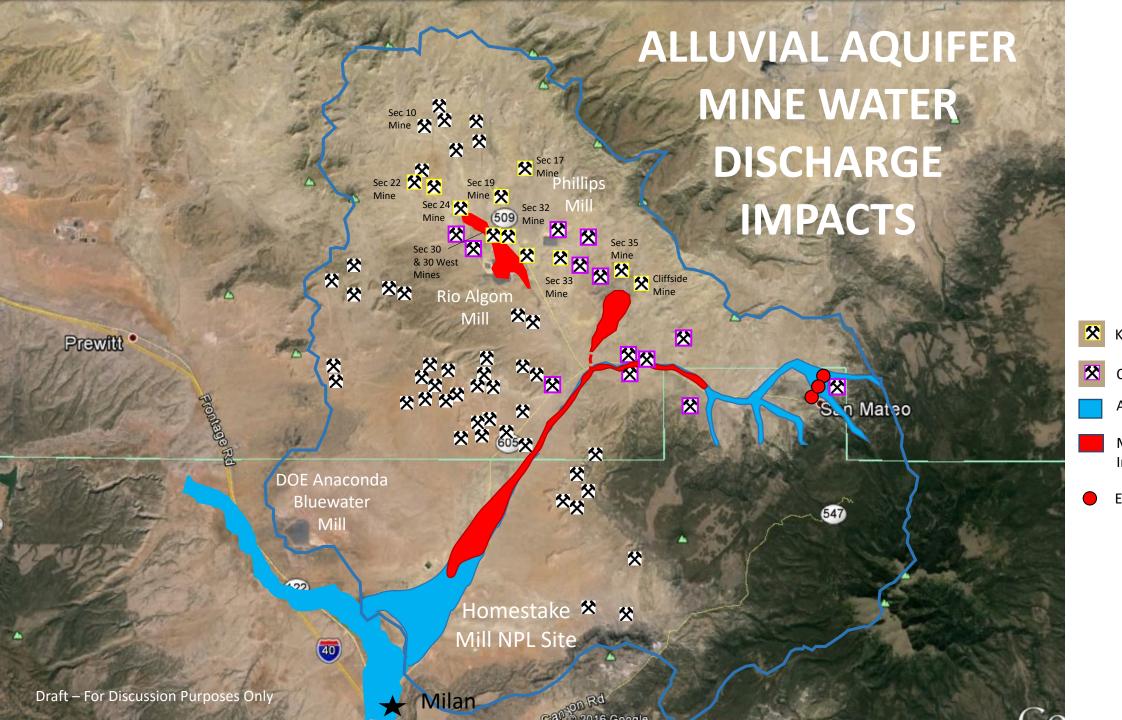
- 12 private wells and other industry monitoring wells exceeded standards
- Only 3 of 12 wells used for drinking water supply
- Only 1 of the 3 exceeded EPA MCLs or NM drinking water standards (PV-03)
- Point of Use Treatment Systems installed by Removal at home for PV-03



- Private Well
- Other Private Well
 (Livestock Watering
 or industry
 Monitoring Well
- Other industry

 Monitoring Well San

 Andres/Glorieta



X Kerr McGee Mine

Other Wet Mine

Alluvial Aquifer

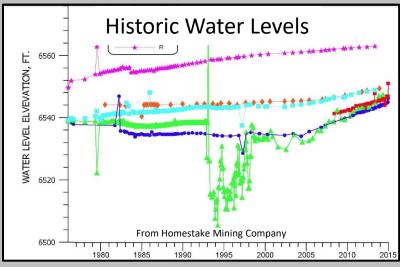
Mine Water Discharge Impacts

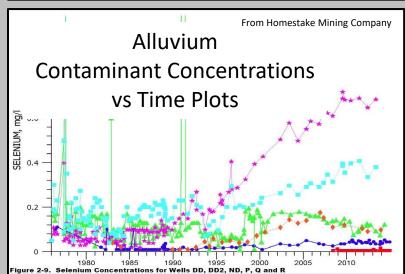
EPA Background Well

STATUS OF PHASE 2 INVESTIGATION

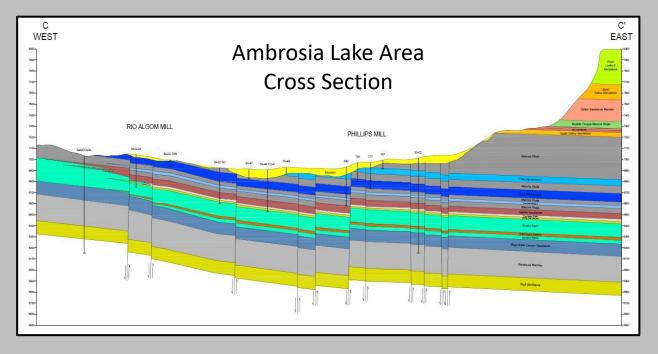
- Drilling/Sampling 2015 to Early 2016
 - Focus on Dakota Sandstone Ambrosia Lake Area
 - Alluvium Central Basin
- Analytical Results Summer 2016
- Data evaluation and interpretation Ongoing
- Draft report preparation Ongoing

ONGOING WORK

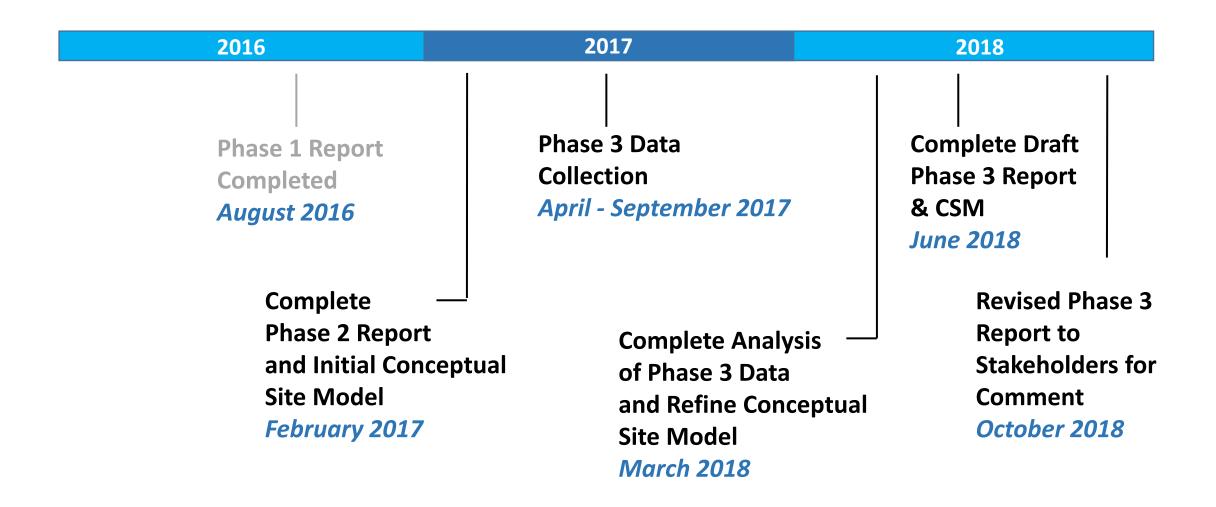


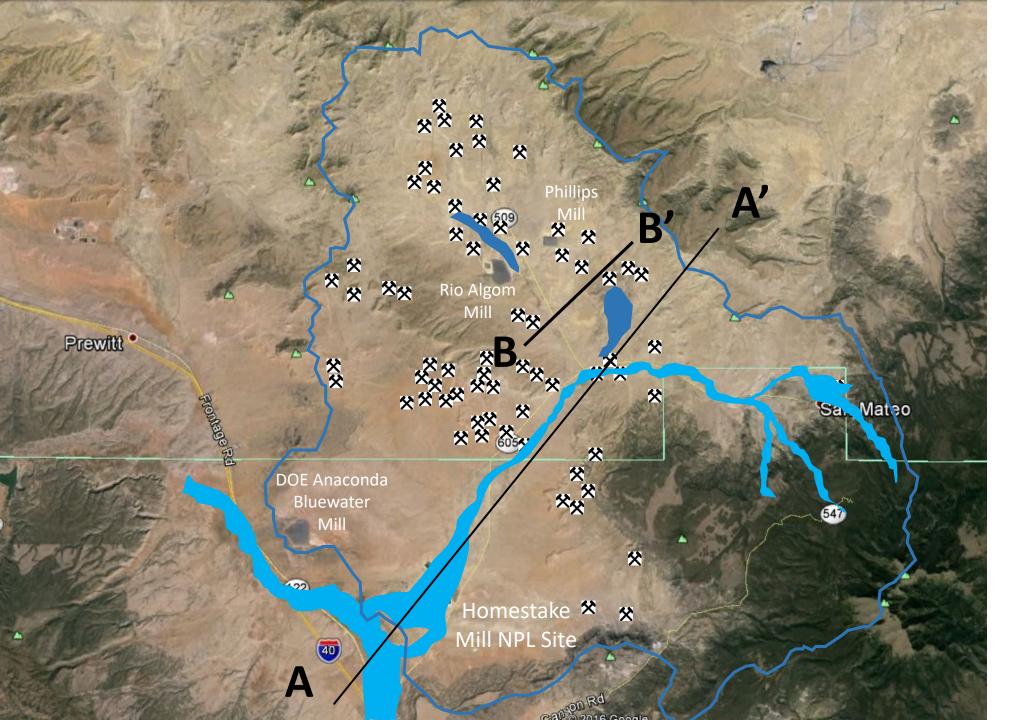


1 2		Section 35					to 1976 before NPDES	treatment re	ntamina	nt Macc	Loadings
3								COI	itaiiiiic	ant Mass	Luaumgs
4	LOWER MINE WATER DISCHARGE RATE					AVG COC		f			_
		Discharge	Discharg	minute	million gallon	concentrati	Formula: Ibs/day	AVG I	from Mines		
5		Period	e Rate GPM	s per day	s per day (MGD)	on in mine effluent (MG/L)	= dose X flow x 8.34 lb/gal	PEI (lbs/day)	PER YEAR	DISCHARGED	DISCHARGED
6	URANIUM	1960-1976	850	1,440	1.22	5.25	(5.25 MG/L) X (1.22 MGD) X 8.34 lb/gal	53.59	19561.39	312982.19	156.49
-	MOLYBDENUM	1960-1976	850	1,440	1.22	1.91	(1.91MG/L) X (1.22 MGD) X 8.34 lb/gal	19.50	7116.62	113865.90	56.93
-	SELENIUM	1960-1976	850	1,440	1.22	0.02	(0.02 MG/L) X (1.22 MGD) X 8.34 lb/gal	0.20	74.52	1192.31	0.60
11 12											
	HIGHER MINE WATER DISCHARGE RATE							-			-
14	MONER	Discharge Period	Discharg e Rate GPM	minute s per day	million	AVG COC concentrati on in mine effluent (MG/L)	Formula: lbs/day = dose X flow x 8.34 lb/gal	AVG POUNDS PER DAY (lbs/day)	AVG POUNDS PER YEAR	16 YEAR TOTAL POUNDS DISCHARGED	16 YEAR TOTAL TONS DISCHARGED
-	URANIUM	1960-1976	2,618	1,440	3.77	5.25	(5.25 MG/L) X (3.77 MGD) X 8.34 lb/gal	165.07	60249.07	963985.13	481.99
	MOLYBDENUM	1960-1976	2,618	1,440	3.77	1.91	(1.91MG/L) X (3.77 MGD) X 8.34 lb/gal	60.05	21919.19	350706.97	175.35
18	SELENIUM	1960-1976	2,618	1,440	3.77	0.02	(0.02 MG/L) X (3.77 MGD) X 8.34 lb/gal	0.63	229.52	3672.32	1.84



PLANNED ACTIVITIES FOR GROUND WATER INVESTIGATION





Cross
Sections
A-A'
and
B-B'

Phase I Report Roll-Out

- August 25 Brief SF Director
- By September 1 Send to Federal Partners (R9, NMED, MMD, DOE, NRC, BLM, DOI, USFS, USGS)
- September 16 Public Release
 - Website
 - Tribal Contacts
 - DVDs as Requested
- October 19/20 Tronox Quarterly Presentation (Navajo, R9, State)
- Week of November 14 Public Meetings

Other Slides